

Goldman Sachs Launches 10,000 Small Businesses Initiative

November 17, 2009

\$500 million Commitment to New Program

Warren Buffett; the Initiative for a Competitive Inner City; Community College Associations; and Others Join to Support Small Business Job Creation

Goldman Sachs People to Volunteer Skills to Small Business Owners

November 17, 2009 – The Goldman Sachs Group, Inc. (NYSE: GS) today announced the launch of *10,000 Small Businesses* -- a \$500 million initiative that will unlock the growth and job-creation potential of 10,000 small businesses across the United States through greater access to business education, mentors and networks, and financial capital. It is based on the broadly held view of leading experts that a combination of education, capital and support services best addresses the barriers to growth for small businesses. Program highlights include:

- **Business and Management Education:** Small business owners will receive practical business education delivered through partnerships between local community colleges, universities and other institutions. *10,000 Small Businesses* will contribute \$200 million to these partners to provide scholarships predominantly to underserved small business owners and build educational capacity.

- **Mentoring and Networking:** Advice, technical assistance, and networking will be offered to participating small business owners through partnerships with national and local business organizations, as well as the people of Goldman Sachs.

- **Access to Capital:** Goldman Sachs will invest \$300 million through a combination of lending and philanthropic support to Community Development Financial Institutions (CDFIs). The investment will increase the amount of growth capital available to small businesses in underserved communities and expand the capacity of the CDFIs to deliver enhanced technical assistance to small businesses. *10,000 Small Businesses* will provide technical assistance to graduates of the program to help them access other sources of capital.

- **Advisory Council:** *10,000 Small Businesses* will be guided by an Advisory Council co-chaired by CEO Lloyd C. Blankfein, Warren Buffett, and Dr. Michael Porter of Harvard Business School. The Advisory Council will assist in the development, execution and evaluation of the program.

In addition to the co-chairs, founding Council members include:

- George Boggs, President and CEO, American Association of Community Colleges
- Dan Danner, President and CEO, National Federation of Independent Business
- Glenn Hubbard, Dean, Columbia Business School
- Robert Litan, Vice President for Research and Policy, Kauffman Foundation and Senior Fellow in Economic Studies at the Brookings Institution
- Marc H. Morial, President and CEO, National Urban League
- Javier Palomarez, President and CEO, United States Hispanic Chamber of Commerce (USHCC)
- Hilary Pennington, Director of Education, Postsecondary Success and Special Initiatives, Gates Foundation
- Thomas S. Robertson, Dean, The Wharton School of the University of Pennsylvania
- Leonard Schlesinger, President, Babson College
- Ellen Seidman, Vice President, National Policy and Partnership Development, ShoreBank Corp.
- David J. Skorton, President, Cornell University
- Margaret Spellings, Former Secretary of Education
- Thomas Tierney, Chairman and Co-Founder, The Bridgespan Group

"Small businesses play a vital role in creating jobs and growth in America's economy," said Lloyd C. Blankfein, Chairman and CEO of Goldman Sachs. "We are pleased to work with our partners in this initiative to support small

business owners, particularly those in underserved communities.”

“Our recovery is dependent on hard working small business owners across America who will create the jobs that America needs,” said Warren Buffett, CEO of Berkshire Hathaway. “I’m proud to be a part of this innovative program which provides greater access to know-how and capital – two ingredients critical to success.”

“More than a decade of Inner City 100 winners demonstrate conclusively that growing urban businesses can generate jobs and revitalize disadvantaged communities,” said Dr. Michael Porter, Founder and CEO, Initiative for a Competitive Inner City; and Bishop William Lawrence University Professor, Harvard Business School. “The *10,000 Small Businesses* program will meet a vital need in disadvantaged communities, which is to provide the training, tools, and relationships to help local entrepreneurs and their businesses grow and create a self reinforcing cycle of economic opportunity.”

“The \$300 million this program is investing in CDFIs will make a significant impact on CDFI financing for small businesses, particularly now,” said Mark Pinsky, President and CEO of the Opportunity Finance Network, the nation’s leading network of CDFIs. “This is the largest single-source pool of capital dedicated to CDFI small business financing.”

The first community college to participate will be LaGuardia Community College in Queens, New York, which houses a Small Business Development Center. Classes will begin in the spring of 2010. The first CDFI who will be receiving financing from Goldman Sachs will be Seedco Financial Services, Inc. based in New York City. Loans to underserved businesses in the New York area are expected to commence in early 2010.

10,000 Small Businesses, which has been in development for nearly a year, is a five-year program modeled on the Goldman Sachs *10,000 Women* initiative, which creates partnerships between academic institutions and non-profit entities to provide a business and management education to women around the world. *10,000 Women* is currently operating in 18 countries, where it is helping women entrepreneurs create jobs and growth in their communities.

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